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Report of the Secretary-General on the United Nations Integrated Mission in Timor-Leste (for the period from 8 January to 8 July 2008)

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1802 (2008), by which the Council extended the mandate of the United Nations Integrated Mission in Timor-Leste (UNMIT) until 26 February 2009. It covers major developments in Timor-Leste and the implementation of the Mission's mandate since my report of 17 January 2008 (S/2008/26).

2. As at 8 July 2008, UNMIT consisted of a civilian component comprising 319 international staff (117 women); 846 national staff (147 women); 1,542 police officers (76 women); and 33 military liaison and staff officers (all men). My Special Representative, Atul Khare, continued to lead the Mission and to coordinate with United Nations system actors and other stakeholders. He was assisted by the Deputy Special Representative for Governance Support, Development and Humanitarian Coordination, Finn Reske-Nielsen.

II. Political and security developments since January 2008

3. The deplorable events of 11 February and the response thereto dominated the political and security environment over the reporting period. On that day, the armed group led by the fugitive Alfredo Reinado, the former Military Police Commander of the Falintil-Forças de Defesa de Timor-Leste (F-FDTL), carried out separate armed attacks against the President, José Ramos-Horta, and the Prime Minister, Kay Rala Xanana Gusmão, resulting in the nearly fatal injury of the President and the death of Reinado. Rapid medical intervention, in Dili and, subsequently, in Australia saved the life of the President.

4. The incidents presented an unexpected and serious challenge to State institutions, but encouragingly, and in contrast to the events of 2006, the situation did not precipitate a crisis destabilizing the entire society. The institutions of the State responded in an appropriate and responsible manner that respected constitutional procedures. The Prime Minister demonstrated firm and reasoned leadership; the Parliament functioned effectively as a forum for debate in response to the events; and leaders of all political parties urged their supporters to remain

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calm, while the general population demonstrated faith in the ability of the State to deal with the situation. The Office of the Prosecutor-General started a criminal investigation immediately after the attacks. On 20 February, the Parliament approved a resolution recommending that the Government negotiate with the United Nations for the formation of an international commission to investigate the events of 11 February. On 27 May, the Prime Minister responded, suggesting that the Parliament consider reformulating the resolution to prevent any duplication with ongoing national criminal investigations.

5. Following the attacks, the Parliament immediately declared a state of siege with curfews across the entire country. On 17 February, the Council of Ministers approved a resolution mandating the Commander of F-FDTL to create a Joint Command integrating members of F-FDTL and the Polícia Nacional de Timor-Leste for security operations conducted during the state of siege. As the security situation remained calm, the state of siege was gradually reduced in geographic scope and degree across the country. By 23 April, the state of siege applied only to Ermera District, where the President's attackers had gathered, led at that point by an associate of Reinado, Gastão Salsinha. The state of siege in Ermera District expired on 22 May, ending also the legal basis for the Joint Command, which was formally revoked by the Council of Ministers on 4 June and disbanded on 19 June.

6. Creating the Joint Command was an understandable response to the events of 11 February, and contributed to the surrender of Reinado's associates (see para. 16 below). However, the well-known shortcomings of the security institutions in terms of professional standards and respect for the rule of law, which were at the heart of the UNMIT mandate, became evident once again. The Provedor for Human Rights and Justice opened investigations into 44 cases of violations allegedly committed in areas of Joint Command operations (see para. 29 below). While the number of reported human rights violations and abuses of authority declined in the latter part of the state of siege, indicating that some efforts were being made to minimize them, little progress has been evident in investigating or assigning accountability for the violations committed during the early phase of the state of siege, and the team established by the Joint Command responsible for such investigations has been disbanded along with the Joint Command. The Government has indicated its commitment to addressing these shortcomings, which it sees as long-term challenges. Nevertheless, the risk remains, that, in the meantime, those incidents will further entrench inappropriate modes of behaviour and the already widespread perception that the security and defence forces enjoy impunity.

7. The death of Reinado, who had played a significant role in the intractability of the issues of the F-FDTL "petitioners" (see S/2008/26, para. 6) and the internally displaced persons, opened up new possibilities for addressing these two remaining consequences of the crisis of 2006. In response to a call from the Government to gather for a dialogue, on 8 February, a small number of petitioners had begun arriving at a camp in Aitarak Laran, Dili. After the attacks of 11 February, the rate of arrivals accelerated, reaching 709 by the end of May. On 4 June, the Government adopted a legislative decree that offered financial compensation packages for those petitioners who decided to return to civilian life, who are the great majority. While the underlying grievances which sparked the original desertion by the petitioners, and eventually culminated in the 2006 crisis, are yet to be addressed, the packages agreed to by the petitioners are a positive development. By the beginning of March,

returns of internally displaced persons had also markedly accelerated (see para. 45 below).

A. Support for dialogue and reconciliation

8. In response to the events of 11 February, the dialogue and coordination mechanisms already established by the Government and UNMIT again proved effective. On the morning of 11 February, the Government, UNMIT and the international security forces met in an emergency Trilateral Coordination Forum meeting (see S/2007/50, para. 40; S/2007/513, para. 27; and S/2008/26, para. 10) convened by the Prime Minister to coordinate security measures. Upon his return to Dili from New York, the very next day, my Special Representative also conducted intensive good offices efforts with a wide variety of actors including the Prime Minister, the Acting President, Fernando "Lasama" de Araújo, the diplomatic community, and political parties. Those efforts were important to ensure information-sharing, to reinforce unity among political actors, and to coordinate security and political matters. They also served the broader purpose of encouraging good democratic governance practices, including decision-making based on institutionally developed policies and planning. My Special Representative also urged participatory policy formulation processes in which the views of the opposition and civil society could be reflected.

9. During the reporting period, three meetings of the High-level Coordination Committee (including one expanded meeting with members of the Superior Council for Defence and Security, the Council of State, and the President and Secretary-General of the Frente Revolucionária do Timor-Leste Independente (Fretilin)) and nine meetings of the Trilateral Coordination Forum were held. In addition, my Special Representative continued to call monthly meetings (five during the reporting period) with representatives of all political parties, including those without parliamentary representation. At the meeting held on 14 February, the parties unanimously condemned the attacks against the President and the Prime Minister. My Special Representative also continued his weekly meetings with the President (or, in his absence, the Acting President) and the Prime Minister, and his regular meetings with the President of Parliament. My Deputy Special Representative continued his weekly meetings with the Deputy Prime Minister, an important opportunity to coordinate efforts in support of national recovery strategies.

10. On 23 April, in his first major public address after his return to Timor-Leste, the President emphasized the importance of dialogue and utilizing the experiences and skills of all Timorese leaders to address issues of national concern. He specifically called on the Government to work together with Fretilin as "the party with the most votes". Expanded meetings of the High-level Coordination Committee (see para. 9 above), now including the Fretilin leadership, are a constructive step towards gaining a broad national consensus on major issues facing the country. My Special Representative has continued to facilitate and support such inclusive approaches, and maintains weekly meetings with the Secretary-General of Fretilin. The President has demonstrated his commitment to dialogue at all levels, participating in three community dialogues in Dili in support of the reintegration of internally displaced persons.

11. Encouragingly, Fretilin has continued to play an important role as an engaged and active opposition within the Parliament, whose legitimacy it acknowledges. It does, however, continue to label the Government, formed by the Aliança com Maioria Parlamentar (AMP) led by the Prime Minister, as an unconstitutional "de facto government" (see S/2007/513, para. 4). The overtures made by Fretilin to the Associação Social-Democrata Timorense (ASDT), a member of the AMP coalition, to form an alliance, did not succeed in the end in weakening the coalition, but contributed to plunging ASDT into a public leadership battle. While the AMP coalition appears to be stable at least over the short- or medium-term, this experience illustrates the fragilities sometimes inherent in a coalition government, which are even more pronounced in a young, multi-party democracy such as Timor-Leste.

B. Enhancing democratic governance

12. In addition to the good offices efforts of my Special Representative, UNMIT and the United Nations country team continued to support undertakings to enhance a culture of democratic governance through increasing citizen participation, improving accountability mechanisms, strengthening parliamentary oversight functions, and supporting the media, among other activities. The United Nations Development Programme (UNDP) continued to provide assistance, including in-house training and other activities to strengthen institutional capacity, to political parties, through four district Resource Centres, and to the two electoral management bodies. On 11 April, UNMIT and the United Nations country team, together with the Government, organized a national workshop on democratic governance with the participation of the entire leadership of Timor-Leste, which played an important role in setting the agenda for the democratization process. Gender mainstreaming of Government policies was strengthened with the approval by the Council of Ministers on 19 March of the legislative decree on the structure of the Secretariat of State for the Promotion of Equality and a resolution establishing gender focal points across the ministries. In addition, the Council of Ministers approved and submitted the initial report of Timor-Leste on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women, assisted and facilitated by the United Nations Development Fund for Women (UNIFEM).

13. Even before the announcement by the Prime Minister on 8 May of the "Year of Administrative Reform", UNMIT and UNDP had been providing policy advice to the Government as it set out frameworks to establish a civil service commission, reformulate the office of the Inspector General to perform audit functions, and establish an anti-corruption agency. UNDP efforts have continued in support of capacity-building related to procedural and legislative processes within the Parliament. UNDP, UNIFEM, UNMIT and the Secretary of State for the Promotion of Equality supported the parliamentary women's caucus in the development of a five-year (2008-2012) plan to mainstream gender in the work of the national Parliament. In recognition of the fact that the vast majority of the people of Timor-Leste receive news through the radio, UNMIT is supporting the national broadcaster in the installation of a transmitter, which is expected to increase radio coverage in the country from the current 60 per cent to more than 80 per cent of the territory. UNMIT also continued community outreach programmes; training of journalists, producers, and technicians; and the production and co-production of radio

programmes to provide information to the people of Timor-Leste and support capacity development.

C. Maintenance of public security

14. UNMIT police strength stayed about the same during this reporting period, with 1,542 officers (76 women) as at 8 July. Of these, 963 officers (including 140 in the Malaysian formed police unit, 140 in the Portuguese formed police unit, 38 in the Pakistani formed police unit, and 31 in the Bangladeshi formed police unit) were deployed in Dili and 579 to other districts, including 109 in the Bangladeshi unit (89 in Baucau and 20 in Viqueque) and 102 in the Pakistani unit (25 in Ermera and 77 in Bobonaro). They continued to perform the mandated task of interim law enforcement, while increasing efforts to support the training, institutional development and strengthening of the national police.

15. In order to ensure that the mandated responsibilities of UNMIT police under Security Council resolution 1704 (2006) and the "Policing Arrangement" (see S/2007/50, para. 33) were not adversely affected by the modalities of the Joint Command (see para. 5 above), my Special Representative confirmed in an exchange of letters with the Prime Minister on 21 February that those national police officers participating in Joint Command operations would not be under the direct supervision and responsibility of the UNMIT Police Commissioner. In practice, however, UNMIT police were not informed when and for how long individual officers would be participating in Joint Command operations, creating difficulties for the certification process and operational planning. Nevertheless, the redoubled efforts of UNMIT police and those national police officers who remained under UNMIT command after 11 February contributed significantly to maintaining a secure environment. International security forces also played a critical role in this regard, including through support to the police.

16. The Joint Command applied various measures to pressure Salsinha and other associates of Reinado to surrender. It generally abided by its rules of engagement which allowed it to fire only in self-defence; one death was attributable to the use of firearms by the Command. In addition, the State pursued dialogue through various national and district level interlocutors to convince Salsinha to surrender peacefully. The combination of those efforts led to the surrender of Salsinha and 12 members of his group on 29 April. As of early July, a total of 27 suspects related to the attacks of 11 February had been identified, 23 of whom remain in pre-trial detention.

17. Generally, cooperation between UNMIT police and the Joint Command on operational matters was satisfactory, but there were some worrisome incidents relating to the transport and treatment of suspects and prisoners. On 27 February, a suspect from the enclave district of Oecussi was brought to Dili under UNMIT police escort. At the helipad in Dili, about a dozen F-FDTL members armed with long-barrelled weapons forced UNMIT police to hand over the suspect. On 28 February, F-FDTL elements arrested a man for allegedly throwing a stone at their vehicle and brought the suspect to the Dili Police Watch House where, shortly afterwards, members of the Joint Command arrived and beat up the suspect, levelling firearms at an UNMIT police officer when he tried to prevent the assault.

18. In its activities in Ermera District directly aimed at obtaining Salsinha's surrender during the state of siege, the Joint Command had a clearly defined internal

security role. However, in areas outside of Ermera where a state of siege no longer applied, F-FDTL and the national police took on additional internal security functions and duties that were not coordinated with UNMIT police. Those activities continued without legal basis after the end of the state of siege on 22 May, even though the Prime Minister agreed with my Special Representative that the Joint Command had no operational role after the end of the state of siege. For example, for several days starting on 5 June, F-FDTL conducted night patrols in Dili, deploying three six-man armed squads reportedly to deter fighting between martial arts groups. Activities initiated by the Joint Command continued even after the Command itself was disbanded on 19 June. As at 8 July, 23 static security posts, originally established by the Joint Command, were still in neighbourhoods scattered across Dili staffed with 258 national police officers who do not report through the normal police command structure led by the UNMIT Police Commissioner.

19. After 11 February, the overall security situation quickly returned to normal. Most of the incidents reported were assaults and disorderly behaviour, and were promptly attended to by the police. During the reporting period, an average of 34 incidents was reported per week, far lower than the average of 54 during the last reporting period. The incidence of serious crimes such as murder, abduction and rape also decreased, from about five per month during the previous reporting period to about four in the current period. This positive trend is due in large part to the UNMIT and national police approach of targeted patrolling of problem areas, special attention being given to areas identified as particularly volatile, as well as to the restrictions on movements imposed by the curfews. The presence and activities of UNMIT military liaison officers in the border districts provided a stabilizing effect and contributed to maintaining good relations between the border agencies of Timor-Leste and Indonesia. Military liaison officers also played an efficient information-gathering role on issues affecting security throughout all the other districts.

D. Training, institutional development and strengthening of the national police

20. Considerable progress has been made in the registration, screening and certification programme for the national police, which continued to proceed in accordance with the Policing Arrangement. In June, provisional certification ended: a total of 3,114 officers (570 women) were assessed as suitable to be provisionally certified. Of those officers, 599 (126 women) became fully certified officers. All remaining officers are in different stages of the mentoring programme, except the 242 (11 women) found with integrity issues requiring adjudication by the Timorese-led Evaluation Panel, and 117 officers (10 women) who were recruits during the crisis of April and May 2006 and need to go back to the Academy for basic training. The certification process experienced delays as the new Evaluation Panel established after the formation of the new Government was not meeting; the Panel resumed its meetings under the chairmanship of the Deputy Prosecutor-General in February 2008.

21. As indicated in my previous report (S/2008/26, para. 58), in mid-March an expert mission led by the United Nations Police Adviser visited the country and issued a report that made comprehensive recommendations (see S/2008/329) on policing and broader rule of law and security sector reform issues. Subsequently, at

the request of my Special Representative, members of the Standing Police Capacity of the Department of Peacekeeping Operations, with support from the International Center for Transitional Justice, were deployed to UNMIT for eight weeks starting on 23 May to assist with the implementation of the expert mission's recommendations. With this support, strategies were developed in close consultation with the Secretary of State for Security and the national police to establish a timetable for the national police's resumption of policing responsibilities. This would be based on the three phases of reconstitution described in the Policing Arrangement, recognizing that the initial phase has been completed. During the second, consolidation phase, initial planning envisages that there will be a gradual resumption of policing responsibilities by the national police in specified districts and units starting in August 2008, to be completed in the first half of 2009. The calendar for the resumption of responsibility was developed by UNMIT in close consultation with the leadership of the national police and the Timorese Government. It will be adjusted by carefully assessing the state of readiness of the national police using five criteria: (a) the security environment; (b) staffing levels of certified officers; (c) the availability of initial operational logistical requirements; (d) institutional stability; and (e) mutual respect between F-FDTL and the national police.

22. Challenges to the mentoring process continued during this reporting period (see S/2008/26, para. 22). Some national police officers continued to resist supervision by UNMIT police; the participation of large numbers of national police officers in the Joint Command removed from UNMIT police supervision exacerbated this trend. The resumption of responsibility by the national police will be facilitated through a revised and streamlined mentoring programme, with mandatory training focusing on core competencies, developed and implemented jointly by UNMIT police and national police officers. This should allow final certification of 80 per cent of the national police by 1 October 2008. Before full reconstitution is completed, all officers with major disciplinary and/or criminal issues should be removed from the force and only certified officers should serve.

23. The resumption of responsibilities does not mean that the national police has successfully completed its development, nor that it is prepared to take on those responsibilities without continuing international assistance. Rather, it is another, more intensive phase of its professional development, where officers will learn by doing, while the United Nations is still available in strength to provide them with support and backup. It will lay the groundwork for the long-term process of developing an impartial and professional police service. It is, therefore, not proposed that the UNMIT police draw down their presence during the resumption of responsibilities by the national police. Rather, the UNMIT police will continue to play a crucial role of monitoring and reporting from all districts, while also being available to provide advice, as well as offer operational support and, in extremis, assume interim law enforcement responsibilities, if required and requested. The continued presence of the four formed police units will provide necessary support to UNMIT and the national police in the maintenance of stability.

24. The ultimate success of the police reform process will depend on the commitment of the national police and the Government, as well as the wider international community, in particular concerted and long-term bilateral programmes of training and institutional development, such as the one planned by the Australian Federal Police through its Timor-Leste Police Development Programme.

E. Institutional strengthening and comprehensive review of the security sector

25. In May, Parliament adopted the Law on Information Systems, which broadly defines Timor-Leste's intelligence architecture. The bill gives the head of the National Information Service authority over the intelligence branches of the military and the police. In addition, the Council of Ministers approved a legislative decree on the organization of the Ministry of Defence and Security, which further defines the roles and responsibilities of that Ministry.

26. Despite these developments, the issues surrounding the operations of the Joint Command illustrate the need for a holistic, deliberate approach to the development of the security sector, to ensure a clear separation of internal and external security roles and responsibilities between the national police and F-FDTL, to strengthen legal frameworks, and to enhance civilian oversight mechanisms. The security sector review process already under way will provide valuable inputs into these policy issues. The centrepiece of the review is the security sector review project signed on 13 June by the Prime Minister and my Deputy Special Representative in his capacity as the UNDP Resident Representative. The document specifies the United Nations support that will be provided for a comprehensive evaluation of the security sector. During the reporting period, UNMIT also supported a government-led process of developing a national security policy. UNMIT will continue to work closely with the Government, including the three-tier coordination mechanism established in August 2007 (see S/2008/26, para. 27), to address the broader challenges in the security sector.

III. Promotion of human rights and administration of justice

A. Support for monitoring, promotion and protection of human rights

27. The attacks of 11 February and the subsequent declaration of a state of siege presented challenges to the respect for human rights. On the positive side, the Government adhered to constitutional provisions when declaring the state of siege. Restrictions defined in relevant legislation on the right to movement, and on freedom to demonstrate and assemble, and provisions for members of the military to conduct home searches at night with judicial warrants did not violate Timor-Leste's international obligations. Serious concerns arose, however, concerning an increase in allegations of ill-treatment, excessive use of force and intimidation, in particular during arrest, by members of the Joint Command. UNMIT also received reports of death threats, illegal arrests, illegal home searches and abuse of authority. UNMIT regularly provided information on cases of alleged human rights violations or abuse of power to the appropriate Timorese authorities up to the highest levels. Accountability mechanisms were extremely weak, however; even when identified, perpetrators often faced only a verbal reprimand, including in cases of serious beatings.

28. Gender-based violence remained a major human rights concern. Cases were frequently "resolved" through traditional dispute resolution mechanisms, which were not always victim-centred and were not regulated by a legal framework. United Nations agencies are providing a range of support to address gender-based

violence at national and local levels, including preparation of a training manual in Tetum on domestic violence, support to the national campaign for men to end violence against women, mapping of gender-based violence cases, and capacity-building of local authorities and communities on ways to handle such cases. In addition, United Nations agencies made efforts to encourage women to participate in conflict mediation and conflict resolution activities in the community.

29. Initiatives to strengthen the capacity of the Office of the Provedor for Human Rights and Justice continued through a joint project of UNDP and the Office of the United Nations High Commissioner for Human Rights (OHCHR). From January to June, activities included daily mentoring of the investigation, monitoring and education and promotion departments; specific human rights training; a workshop on complaints management; briefings on relevant human rights issues, including on persons with disabilities; the establishment of national inquiries and human rights education; and advice to the Provedor in relation to the state of siege. UNIFEM provided training to the Provedor on the Convention on the Elimination of All Forms of Discrimination against Women, with specific focus on gender-based violence. During the state of siege, the Provedor conducted joint monitoring visits to areas of Joint Command operations, with representatives of UNMIT and the local non-governmental organization, the HAK Foundation, to document violations, resulting in the tabling of three reports to Parliament by the Provedor. By 1 July, the Office of the Provedor had opened investigations into 44 cases.

30. Some progress was also made towards holding accountable those responsible for criminal acts and human rights violations during the crisis of 2006, as recommended by the Independent Special Commission of Inquiry, although informal discussions on an amnesty law continue. An international prosecutor funded by OHCHR has been recruited to assist the Office of the Prosecutor-General to follow up on the recommendations of the Commission of Inquiry. However, a presidential decree on 20 May providing pardons and commutations of sentence to 94 sentenced individuals, while legal, was considered by many as undermining efforts to promote accountability and justice and combat impunity. The former Minister of the Interior, Rogério Lobato, who had been sentenced to seven-and-a-half years' imprisonment for his role in the 2006 crisis (S/2007/513, para. 30), and who in August 2007 had been permitted to travel to Malaysia to receive medical treatment and has yet to return, was granted conditional release early in June after his sentence was commuted. Nine inmates serving sentences for crimes against humanity committed in 1999 also received commutations of their sentence. Four of them were released in June, and four others will be eligible for conditional release by the end of October 2008. Also of concern is that four soldiers convicted of manslaughter in the shooting deaths of eight policemen in 2006 (S/2008/26, para. 30) have yet to be incarcerated in a civilian jail and continue to evade any serious detention. The four F-FDTL officers are suspended from duty and continue to receive full wages, yet have not paid compensation to the widows of their victims as ordered by the Court as part of their sentence.

31. On 12 February 2008 an agreement was signed giving UNMIT access to the archives of the former Serious Crimes Unit, which had been handed over to the Prosecutor-General's Office in 2005. UNMIT prepared detailed inventories and analysis of sources available in the Office of the Prosecutor-General, comprising 458 case files of ongoing investigations into cases of serious human rights

violations committed in 1999, other documents, physical and forensic evidence, and DNA samples. Since then UNMIT has completed investigations into 20 cases.

32. UNMIT continues to strongly promote and enforce its zero-tolerance policy on sexual exploitation and abuse and the need to maintain the highest standards of integrity and discipline. UNMIT continued to provide training to all categories of United Nations personnel, including national officers, in the prevention of sexual exploitation and abuse and in other conduct and discipline issues, while awareness programmes were made available in Dili and all regional offices. Monitoring and review of off-limit locations continued on a monthly basis. During the reporting period, one case of alleged sexual exploitation was reported, and it is currently being investigated by the Office of Internal Oversight Services. In addition to the HIV/AIDS session included in the Mission's induction course, UNMIT also began mandatory HIV/AIDS basic training in March. A total of 1,129 civilian staff (267 women) received the HIV/AIDS induction training, 395 civilian staff (126 women) received mandatory basic training, and 24 civilian staff (13 women) received peer educator training.

B. Support for capacity-building and strengthening of the justice system

33. The Government continues to focus on key pieces of legislation, two of particular importance being the criminal code and the law against domestic violence. The draft of the law against domestic violence is being finalized by a team of national and international legal experts and will be presented to Parliament upon approval of the criminal code. UNMIT, together with the United Nations Children's Fund (UNICEF), assisted the national authorities in the adoption and implementation of a juvenile justice strategy. UNICEF also supported the Government's efforts to monitor and report on the status of implementation of the Convention on the Rights of the Child to the Committee on the Rights of the Child.

34. Capacity development of judiciary personnel continues. On 14 March, 10 national court actors (including three women) were sworn in as probationary judges, prosecutors and public defenders. The probationary actors are receiving on-the-job training and mentoring from international and national mentors for a one-year period, after which they will be evaluated and sworn in. These jurists are students from the second training course at the Legal Training Centre who completed their classroom training in December 2007 (see S/2008/26, para. 37). The third postgraduate course at the Legal Training Centre started in July. UNMIT reviewed existing training curricula and materials for judges, public defenders, prosecutors and police officers and continues its efforts to advocate for inclusion of additional sessions on child rights and juvenile justice at the Legal Training Centre and police training institutions. In spite of an increase in human resources, the backlog of cases continued to grow; it is currently estimated at 4,700 criminal cases, of which approximately one third involve gender-based crimes. The United Nations Justice Working Group submitted recommendations to the Prosecutor-General on improving the effectiveness of the working relationship between the police and the Prosecutor's Office, which is vital to initiating and prosecuting cases in the formal legal system properly.

35. UNDP and UNMIT continue to coordinate support to the Government in the area of corrections. A new training centre at Becora Prison, made possible with assistance from the Governments of Australia and Portugal and supported by UNDP, opened on 6 June. A newly established team of seven national officers (two of them women) is conducting training for prison staff to strengthen professional skills.

IV. Support for the "compact", socio-economic development and humanitarian assistance

A. Support for the "compact" process

36. Following the endorsement by the Council of Ministers of the "compact" document in October 2007 (see S/2008/26, para. 43), the Government began preparation for the first Timor-Leste development partners meeting since the 2006 crisis. The meeting, held from 27 to 29 March 2008, brought together approximately 350 representatives of bilateral and multilateral donors; United Nations agencies, funds and programmes; the Parliament and ministries; as well as civil society, the private sector and the media. During the meeting, organized with support from the United Nations and the World Bank, the Government launched the national priorities for 2008, which constitute the international compact for Timor-Leste.

37. The national priorities for 2008 are (a) public safety and security; (b) social protection and solidarity; (c) addressing the needs of youth; (d) employment and income-generation; (e) improving social service delivery; and (f) clean and effective government. The Prime Minister assigned responsibility for monitoring progress on the national priorities for 2008 to the Inter-Ministerial Committee on Economic Development. The Government is monitoring the progress in meeting the objectives set out in the national priorities for 2008 through a system of working groups jointly agreed upon by the Government and the international community. UNMIT and the World Bank are providing expertise for the functioning of the national priorities secretariat, and the World Bank has sponsored an independent peer review team to provide external review of the process.

B. Socio-economic development

38. Despite the best efforts of the Government and its partners, Timor-Leste has not experienced significant progress in poverty alleviation or in the achievement of the Millennium Development Goals since the restoration of its independence in 2002. Per capita income in the non-oil economy is about 20 per cent lower than it was in 2002, implying that poverty is increasing. Public investments need to increase in the non-oil-and-gas sectors if the economy is to experience real growth over the next several years. Some of this investment could well come from the Petroleum Fund. Taking the low level of budget execution into consideration and without changing the fundamental operation or sustainability of the Fund, ways of "front-loading" expenditures from the Petroleum Fund to help promote sustainable economic growth and alleviate poverty need to be considered. UNMIT and its United Nations partners have been advocating a prudent, sustainable approach to the management of Timor-Leste's petroleum wealth, within the framework of a Government-led poverty reduction programme.

39. In the semi-annual budget review in July, the Government proposed to the Parliament a supplementary allocation which would increase the total 2008 budget from $347.8 million to $773.3 million. This includes $240 million for an economic stabilization fund to mitigate potential domestic problems resulting from global price increases. Meanwhile, Timor-Leste's oil revenues have been increasing as a result of the continuing increase in the price of oil, leading the Government to review the estimated sustainable income of the Petroleum Fund, bearing in mind current capacity constraints that affect budget execution. It may therefore be necessary for the Government to consider outsourcing in key areas where capacities are lacking. In addition, the Government would need to vigorously promote public works and infrastructure development in order to generate more job opportunities as its capital expenditure has been very low.

40. The United Nations country team completed the United Nations Development Assistance Framework in March, in an integrated manner between the United Nations agencies and UNMIT, so as to promote the "Delivering as One" agenda in Timor-Leste. Covering the period 2009-2013, the framework aims to support the consolidation of peace and stability through (a) democratization and social cohesion, including State-building, security and justice; (b) poverty reduction and sustainable livelihoods, with particular attention to vulnerable groups, including youth, women, internally displaced persons and disaster-prone communities; and (c) basic social services, encompassing education, health, nutrition, water and sanitation, and social welfare and protection. The country programmes of the United Nations agencies will be based on the priorities of the framework.

41. The Ministry of Health launched several national initiatives, including a basic health services package and an integrated community health services package. These initiatives are expected to dramatically increase access to quality health-care services throughout the country, and to set the country on track towards achieving the health-related Millennium Development Goals. In addition, the Ministry launched a multi-drug-resistant tuberculosis treatment programme with assistance from the World Health Organization, which is expected to further strengthen the national tuberculosis control programme. With a view to formulating the annual health workplan for next year, the Ministry of Health conducted an annual health sector review from 16 to 26 June, with the full participation of donors, United Nations agencies and other development partners. This exercise served to identify national priorities in the health sector and will further assist the Government and partners in aligning their objectives in support of these priorities.

42. In Dili, home to about one quarter of the labour force, unemployment is estimated at 23 per cent overall and 40 per cent among those aged 15 to 29. With thousands of young people entering the workforce each year, job creation is a top priority for the Government, for which it has been receiving assistance from the United Nations. In March 2008, the Youth Employment Promotion Programme was officially launched, a joint initiative involving the Government and the United Nations country team, with a total budget of $16.5 million. The four-year programme aims to deliver employment and training support to 70,000 young women and men, in all districts. In the launching phase, the programme initiated the establishment of a network of youth career centres to assist young people. The National Labour Force Development Institute was also launched. This will be responsible for the creation of a labour-market oriented vocational training system.

43. Through the poverty reduction programme jointly implemented by UNDP and the United Nations Office for Project Services, over 250 self-help groups in Oecusse, Ainaro and Manatuto districts received assistance to improve agricultural productivity through better harvest storage, provision of seedlings and training in improved farming techniques. In addition, a community development fund helped the rehabilitation of small but critical community-based infrastructure such as irrigation facilities, bridges, schools and community centres. A UNDP/United Nations Capital Development Fund five-year programme, which started in April 2008, will focus on increasing access to financial services for low-income segments of the population through policy development and strategic coordination to foster an enabling environment in the financial sector. The Government of Timor-Leste is now in the preparatory phases for the next census to be conducted in 2010, with support from the United Nations Population Fund.

C. Humanitarian assistance

44. As Timor-Leste is a net food importer, the global rise in food commodity prices is of particular concern. An inter-agency group led by the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme and the World Bank has been providing technical advice to the Government regarding possible actions to alleviate the effects of world market developments. These include the continuation of subsidies for rice and ensuring the availability of supplies and, most importantly, making more funds available to purchase rice regionally or internationally to avoid a rice shortage in the immediate future, as the in-country rice stock is sufficient for a couple of months only. With the support of FAO, the Government is planning to encourage second-crop planting through seed distribution and guaranteed Government purchase of second crops.

45. The Government decided to reduce blanket food distribution to internally displaced persons in Dili to half rations starting in February 2008, so as to encourage more returns. Since the beginning of the year, some progress has been made and more than 1,400 families moved out of the camps of internally displaced persons, having received a recovery package under the Government's National Recovery Strategy. Eleven such camps in Dili have closed, including some of the larger ones. To date, approximately 13,500 families have registered their intention to return with the Ministry of Social Solidarity. The widespread perception among the internally displaced that prospects for their security improved with the death of Reinado and the surrender of Salsinha contributed to an acceleration of returns.

46. A number of obstacles faced by internally displaced persons continue to be of major concern, however, including unresolved issues with the communities to which they return, such as land and property disputes. The humanitarian community is encouraging the Government to maintain a comprehensive approach to the return, resettlement and reinsertion of internally displaced persons, consistent with the five pillars of the Government's National Recovery Strategy (housing, community trust-building, security and stability, social protection, and local socio-economic development). Under this approach, the return, resettlement and reinsertion options would be offered in a systematic, sustainable, timely and verifiable manner. UNDP is supporting a nationally led dialogue process which aims to foster communication, socialization, and trust-building between the Government, displaced families and communities. In providing a framework for the protection of persons returning or

resettling, UNMIT and the United Nations country team also continue to monitor and follow up on cases of concern. The International Organization for Migration, the Office for the Coordination of Humanitarian Affairs, UNICEF and UNIFEM supported a local civil society organization, Redefeto, in establishing women's committees in camps of internally displaced persons to protect and promote women's human rights and monitor sexual and gender-based violence. In March, the international community launched a Transitional Strategy and Appeal for US$ 33.5 million to assist with the return and resettlement of the displaced. To date, only 30 per cent (or some $10.5 million) of the amount requested in the appeal has been received.

V. Preparation of medium-term strategy

47. Given the Government's preoccupation with the events of 11 February and the subsequent state of siege, as well as with its own national planning processes, such as the mid-year budget review and the national priorities for 2008, it has not yet been possible to have meaningful discussions on the medium-term strategy and appropriate benchmarks, as requested by the Security Council in its resolution 1802 (2008). I therefore propose to revert with an agreed strategy and benchmarks in my next report.

48. It is currently envisaged that the medium-term strategy and benchmarks would cover four mandated priority areas of UNMIT, namely, review and reform of the security sector; strengthening of the rule of law; economic and social development; and promotion of a culture of democratic governance, together with efforts to enhance dialogue and reconciliation. Benchmarks in those areas would be formulated to measure whether the necessary structures, institutions and processes are in place to provide a solid basis for achieving sustainable stability and prosperity in Timor-Leste. Furthermore, the development of the medium-term strategy will be informed by the monitoring of the national priorities; with regard to the national police, a medium-term strategy is already well advanced (see para. 21 above).

VI. Financial aspects

49. The General Assembly, by its resolution 62/258 of 20 June 2008, appropriated the amount of $172.8 million for the maintenance of UNMIT for the period from 1 July 2008 to 30 June 2009. As at 31 May 2008, the total outstanding assessed contributions to the Special Account for UNMIT amounted to $20.8 million. The total outstanding assessed contributions for all peacekeeping operations at that date amounted to $1,759.7 million. In accordance with the quarterly payment schedule, reimbursement of the costs of formed police units has been made for the period up to 31 May 2008, while payments for equipment owned by formed police units covered the period up to 31 March 2008.

VII. Observations

50. The events of 11 February were the first real test of the resiliency of State institutions since the events of 2006. The leaders and people of Timor-Leste did not allow those events to jeopardize the country's overall stability. The security

situation remained calm. Efforts to foster dialogue and reconciliation continued, President Ramos-Horta having brought all the leaders together at an expanded meeting of the High-level Coordination Committee, a mechanism for fostering political dialogue and national reconciliation. At the same time, my Special Representative's continuing good offices efforts promoted a more conciliatory atmosphere among the political leaders and aimed at instilling among political actors the appreciation of the value of a strong opposition and an effective Parliament. The petitioners' issue was addressed for the time being; internally displaced persons are slowly returning to their communities; and the national priorities for 2008, which constitute the international compact, were launched.

51. While these positive developments are to be welcomed, it also has to be noted that, in addressing the issues of the petitioners and internally displaced persons, the Government relied heavily on strategies that depend on financial settlements. Complex issues such as these can only be fully resolved if financial incentives are complemented by appropriate social, security and political initiatives that ensure lasting reconciliation at both the national and the local level. This, in turn, requires that State and government institutions be strengthened so that they can effectively implement such initiatives. Continuing international support will be needed in the medium and long term to assist in these efforts.

52. The events of 11 February also had some consequences that give rise to concern. Creating the Joint Command was an exceptional measure to deal with exceptional circumstances. While it made a contribution to the peaceful surrender of Salsinha and his group, the Joint Command's inability or unwillingness to deal adequately with alleged cases of abuse and its continuing activities beyond the end of the state of siege, when it no longer had a legal basis, were symptomatic of fundamental institutional challenges in the security sector. These shortcomings threaten respect for the rule of law which the State was so careful not to undermine during the early days of the state of siege; weaken efforts at security sector reform by blurring the functions and reporting lines of F-FDTL and the national police; and adversely affect the development of a culture of democratic governance by bypassing the appropriate structures and processes for policy development. The challenges confronting F-FDTL and the national police should be addressed through broad consultation to clarify and develop their respective roles. Defining a meaningful role for F-FDTL in a peacetime setting, enhancing its training, clarifying its relationship with the national police, and establishing internal accountability and civilian oversight mechanisms will be one of the primary challenges for the Government, to be addressed with the assistance of bilateral partners, in the short and medium term.

53. Progress was made in the reconstitution of the national police, and the moment has come to provide it with an opportunity to strengthen its capabilities through a gradual resumption of policing responsibilities between now and the end of the present UNMIT mandate, while the UNMIT police component is still at its current strength, so that the national police can benefit from the support and advice of UNMIT police on the ground. At the end of the current mandate, an assessment of what has been achieved during the consolidation phase can inform the judgement about the size and nature of the UNMIT police presence under any future mandate. However, I do envisage that any possible drawdown must contemplate the need for a continuing robust UNMIT police presence across the country, including formed police units, which would assume a monitoring and reporting role, provide advice

when requested and be able to offer operational support and, in extremis, assume interim law enforcement responsibilities if required and requested. The national police will need long-term training and support for many years, requiring the continuing commitment of the international community, including bilateral partners.

54. In addition to the reconstitution of the national police, further efforts are needed in all four of the UNMIT mandated priority areas if the underlying causes of the crisis of 2006 are to be addressed: review and reform of the security sector; strengthening of the rule of law, including full implementation of the recommendations of the Commission of Inquiry; economic and social development, including poverty alleviation and the creation of employment opportunities for youth; and promoting a culture of democratic governance — including continued efforts to facilitate political dialogue and national reconciliation. The Mission's integrated "one United Nations system" approach was invaluable in providing coordinated, holistic support to the people of Timor-Leste. Given the fragility of the security situation as well as the capacity constraints of the security institutions and nascent government and State institutions, no adjustments in the mandate and strength of UNMIT are recommended at this stage. While the primary responsibility for Timor-Leste's future lies in the hands of its leaders and people, the continuing engagement of the international community is necessary as Timor-Leste progresses towards self-sufficiency.

55. In conclusion, I wish to thank my Special Representative, Atul Khare, for his leadership and congratulate all the men and women of UNMIT and the United Nations country team for their dedication and determined efforts to advance the cause of peace and stability in Timor-Leste.